

Message Text

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C O N F I D E N T I A L STATE 208515

USOECD, EXCON

E.O. 11652: XGDS-1

TAGS: ESTC, COCOM

SUBJECT: LIST REVIEW: US COUNTERPROPOSAL: IL 1565

REF: A) COCOM DOC. REV (78)10

1. DEFINITION: LC MEANS "LOWER CASE"
2. USDEL AUTHORIZED TO SUBMIT FOLLOWING AS US COUNTER-PROPOSAL (BEGIN TEXT)

SUBMISSION BY THE UNITED STATES DELEGATION

(IL 1565)
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REFERENCES:

- (A) COCOM DOC. REV. (78)10
- (B) COCOM DOC. REV. (78)7

REFERENCE (A) REFERS TO AN ORIGINAL OBSOLESCENCE PROPOSAL
BY THE BELGIAN DELEGATION, SUBMITTED IN ACCORDANCE WITH

COCOM DOC. REG. (77)2.1, WHICH WOULD ALTER PARAMETERS OF IL 1565, NOTE 1 (LC A)(5) AND (LC A)(6), TO REMOVE FROM CONTROL CERTAIN MAGNETIC TAPE AND DISC DRIVES.

THE UNITED STATES DOES NOT CONCUR WITH THE BELGIAN OBSOLESCENCE PROPOSAL FOR ITEM 1565 (DOC REV.(78)10) TO ADD CERTAIN MAGNETIC TAPE TRANSPRT AND MAGNETIC DISC MEMORIES TO NOTE 1, PRIMARILY BECAUSE THE EFFECT WOULD BE TO FREE NOT ONLY THE EQUIPMEN- BUT ALSO THE MANUFACTURING TECHNOLOGY. THE U.S. SUGGESTS THAT ITS PROPOSAL BE CONSIDERED AS A COUNTERPROPOSAL, SPECIFICALLY (FYI: ALL LETTERS IN PAREN SHOULD BE LOWER CASE. END FYI) NOTES 19(B)(3), 9(G)(3)(IV), 14(F)(1), 15((G)(1) AND 20(D)(2) RE MAGNETIC TAPE TRANSPORTS AND NOTES 19(B)(1), 9(G)(2), 14(F)(2), 15(G)(2) AND 20(D)(1) RE DISC DRIVES. THE U.S. PROPOSAL WOULD, IN NOTE 19, FREE LOWER PERFORM- MANCE EQUIPMENT (BUT NOT TECHNOLOGY) AND, IN NOTES 9, 14, 15, AND 20, PROVIDE THAT, SUBJECT TO SPECIFIED CON- DITIONS SOMEWHAT HIGHER PERFORMANCE EQUIPMENT AND SOME TECHNOLOGY COULD EITHER BE SHIPPED AT NATIONAL DISCR- TION OR BE SUBJECT TO FAVORABLE COMMITTEE CONSIDERATION.

RATIONALE SUPPORTING THE UNITED STATES POSITION IS AS FOLLOWS:

A. WHILE THIS EQUIPMENT WAS PRODUCED IN COCOM-MEMBER
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COUNTRIES STARTING IN THE LATE 1960'S (AND SOME VERSIONS ARE STILL PRODUCED), THIS EQUIPMENT IS NOT OBSOLETE BY COMMUNIST STANDARDS. MAGNETIC TAPE TRANSPORT AT 1600 (LC)B/IN, AT BEST, HAVE ONLY GONE INTO PRODUCTION IN THE PROSCRIBED AREAS WITHIN THE LAST YEAR AND THERE IS NO INDICATION THAT THE PRODUCTION RATE IS SUFFICIENT TO MEET THEIR SIGNIFICANT NEEDS. SIMILARLY, 2311-TYPE OF DISC DRIVES STARTED PRODUCTION IN BULGARIA IN 1972-3 USING WESTERN SUPPLIED HEADS (AND THEREFORE THEIR USE WAS CONTROLLED) WITH FULLY INDIGENOUS PRODUCTION NOT ACHIEVED UNTIL 1975-76. THE PRODUCTION RATE DOES NOT EXCEED SEVERAL HUNDRED PER YEAR AND MAY NOT BE SUFFICIENT TO MEET THEIR SIGNIFICANT NEEDS. THE 2314-TYPE OF DISC DRIVES DID NOT START RELIABLE PRODUCTION UNTIL 1976 IN BULGARIA (UTILIZING WESTERN HEADS) AND THE ESTIMATED PRODUCTION RATE IS LESS THAN 250 PER YEAR WITH THE TOTAL PRODUCED BEING ONLY SEVERAL HUNDRED. THIS QUANTITY APPEARS WHOLLY INADEQUATE TO MEET THEIR SIGNIFICANT NEEDS. WHILE EASTERN EUROPEAN PRODUCTION MAY BE UP TO MINIMUM WESTERN QUALITY AND RELIABILITY STANDARDS, PRODUCTION IN THE SOVIET UNION IS OF MUCH POORER QUALITY AND THE QUANTITY PRODUCED IS LESS.

THERE IS NO KNOWN PRODUCTION OF THIS TYPE OF EQUIPMENT
IN THE PEOPLES REPUBLIC OF CHINA.

B. THESE PRODUCTS HAD AND STILL HAVE VERY SIGNIFICANT
STRATEGIC APPLICATIONS IN MANY AREAS. THE MAJOR REASON
THEY HAVE BEEN REPLACED IN THE WEST HAS BEEN THE
CONTINUING MARCH OF WESTERN TECHNOLOGY WHICH HAS PROVIDED
HIGHER PERFORMANCE AND CAPACITY EQUIPMENT AT LOWER COST.
COMPUTER SYSTEMS WITH ADEQUATE NUMBERS OF THESE OLDER
PRODUCTS CAN AND STILL DO FIND SIGNIFICANT APPLICATION
IN WESTERN STRATEGIC SCIENTIFIC, DATA BASE AND REAL
TIME SYSTEMS. SYSTEMS EQUIPPED WITH AN ADEQUATE NUMBERS
OF CHANNELS CAN PROVIDE A TRANSFER RATE AND ACCESS RATE
APPROACHING THAT OF SMALL CONFIGURATIONS OF HIGHER
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PERFORMANCE EQUIPMENT. CONVERSELY, THE LACK OF
QUANTITIES OF RELIABLE MAGNETIC DISC AND TAPE EQUIPMENTS
LIMITS THE UTILITY (NUMBERS, PERFORMANCE AND UP-TIME)
OF THE COMPUTERS (CPUS) THAT ARE PRODUCED BY THE
COMMUNIST COUNTRIES.

C. THE REMOVAL OF CONTROL OF THESE PRODUCTS, IF IT
MEANT THE TECHNOLOGY TO PRODUCE THEM WERE ALSO REMOVED
FROM CONTROL, WOULD RISK THE TRANSFER OF VERY SIGNIFI-
CANT PRODUCTION CAPABILITIES. A PART OF THE DIFFICULTIES
BEING EXPERIENCED IN THE SOVIET UNION AND IN BULGARIA TO
A LESSER EXTENT, IS THE INABILITY TO PRODUCE IN
QUANTITY HIGH QUALITY PRODUCTS. ASSISTANCE, IN THE
FORM OF AID IN ESTABLISHING MODERN FACILITIES FOR HIGH
QUALITY HIGH QUANTITY PRODUCTION AND TRANSLATING HIGH
TECHNOLOGY DEVELOPMENTS INTO PRODUCTS UP TO WESTERN
STANDARDS WOULD MATERIALLY IMPROVE THE COMMUNIST
COUNTRIES' ABILITIES TO PRODUCE MANY CRITICAL PRODUCTS.
FURTHER PRODUCTION FACILITIES OF THIS TYPE ARE NOT
KNOWN TO EXIST IN THE PEOPLES REPUBLIC OF CHINA.

THEREFORE, THE REMOVAL FROM CONTROL OF THESE
MAGNETIC TAPE AND DISC PRODUCTS WOULD POTENTIALLY
PERMIT THE COMMUNIST COUNTRIES TO SATISFY MANY STRATEGIC
APPLICATIONS IN THE FIELDS OF SCIENTIFIC COMPUTATION,
DATA BASED APPLICATIONS AND REAL TIME SYSTEMS WHICH
THEY CURRENTLY CANNOT SUPPORT BECAUSE OF THE LIMITED
AVAILABILITY AND RELIABILITY OF THEIR INDIGENOUS
EQUIPMENT.

HOWEVER, THE UNITED STATES IS PREPARED
AND HAS PROPOSED (REFERENCE B) TO PERMIT THE EXPORT
OF THESE AND HIGHER PERFORMANCE OR CAPACITY PRODUCTS
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TO KNOWN PEACEFUL END-USERS AT NATIONAL DISCRETION
AND IN QUANTITIES IN CONTROLLED CIRCUMSTANCES WITH
COMMITTEE APPROVAL. FURTHER, THE UNITED STATES
PROPOSAL DOES REMOVE FROM CONTROL LOWER PERFORMANCE

OR CAPACITY DEVICES WITH LESS STRATEGIC UTILITY.
THE UNITED STATES CONSIDERS THAT ITS PROPOSALS
MORE ADEQUATELY TAKES INTO ACCOUNT THE STRATEGIC
OBJECTIVES OF THE COMMITTEE AND THE DEMONSTRATED
CAPABILITIES OF THE COMMUNIST COUNTRIES AND WOULD
PUT INTO EFFECT MUCH OF THE SUBSTANCE OF THE BELGIAN
PROPOSAL. VANCE

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